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## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

**2004**

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**Report Highlights:**

From America's largest overseas food and agricultural export market as translated from Japan's mass media and food industry news. This issue includes: In the fiscal year ending February 29, *Daiei's* parent-only pretax profit rose by 14 percent; Concerns growing about the number of new luxury hotels in Tokyo; *Ito Yokado's* subsidiaries plan to link core information systems with one of the nation's largest fiber optic networks; *Ajinomoto Frozen Foods*, *Life Foods* and *Amoi* of China to jointly establish a new frozen vegetable operation in China; The Tokyo Metropolitan Government will allow use of it's new logo-mark for companies producing products with a traceability system and; USMEF expects a 15-16 percent increase in pork exports to Japan.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



## **Food Business Line**

*Periodic Press Translations from ATO Tokyo*

*Vol IV, Issue 48 April 1-15, 2004*

### **Retail/Wholesale**

- The parent-only pretax profit for *Daiei*, after its recent restructuring, rose by 14% to about 16.5 billion yen in the fiscal year ending in February 29, 2004 compared to the previous term, reaching the target laid out in its business rehabilitation plans. Following a 16-day sales campaign in autumn to commemorate the championship victory of the Fukuoka Daiei Hawks professional baseball team, customer traffic was impressive. Strong food sales together with higher inventory turnover for clothing supported sales. (a 4/7)
- *Wal-Mart Stores* opened its first super-center in Numazu-City, Shizuoka on April 7. So far, the famous “Every-Day-Low-Price (EDLP)” promo has not made an appearance in the store and, many of *Wal-Mart’s* services are either waiting to be unveiled or being run on a trial basis. (b 4/10)

### **Food Service**

- *Kentucky Fried Chicken Japan* announced that it expects consolidated pretax profit for the fiscal year ending Nov. 30, 2004 to drop by 44% compared to the previous year, due to the outbreak of avian influenza. (a 4/7)
- There are anticipated concerns over the so-called “Year 2007 problem” stemming from over supply of newly developed luxury hotels in the Tokyo Metropolitan area. For example, *Mandarin Oriental* and the *Conrad* are to open in 2005, and *The Peninsula* and *The Ritz Carlton* in 2007. Domestic hotel groups are also participating in the competition. For example, *Prince Hotel Group* will open *Tokyo Prince Hotel Park Tower* in 2005, and the *Imperial Hotel* plans to conduct a large-scale renovation. (b 4/15)

### **Food Processing/New Products/Market Trends**

- In November, *Ito Yokado* and its five food industry firms, *Seven-Eleven Japan*, *York Benimaru*, *York Mart*, *Denny’s Japan*, and *Famil*, plan to start building one of Japan’s largest corporate fiber-optic networks and connect their headquarters with all 11,000 or so of their stores. By unifying their core information systems, the group hopes to both strengthen its product procurement ability and facilitate the development of original products. The six subsidiary groups are also considering utilizing the network for new types of sales promotion activities. (a 4/6)
- *Ajinomoto Frozen Foods*, *Life Foods*, and *Amoi* of China, agreed to jointly establish a frozen vegetable manufacturing company in China in April of this year. The new company, *Xiamen Ajinomoto Life Ideal Foods Co., Ltd*, aims to produce safe, high quality vegetables. (f 4/8)
- *Seven-Eleven Japan* plans to introduce nutritional drinks and a new health bar containing soybean peptide on April 21, jointly developed with *Morinaga*, *Calpis*, and *Fuji Oil*. (a 4/15)

**Food Safety/Consumer Awareness**

- The Tokyo Metropolitan Government will start a registration system for food producers and distributors that disclose food trace-ability information. It will start from April 12. Under the system, companies will be authorized to use a special label-mark on their product packages that have been registered. (a 4/7)

**ATO/Cooperator/Competitor Activities/Trade Shows**

- The *U.S. Honey Board* participated in Foodex 2004, aggressively promoting its honey products. Total exports of U.S. honey to Japan reached record high last year, and the Marketing Director commented 1) Effective promotional activities, 2) High safety standards, and 3) Price, as the reason for success. (f 4/1)
- The *Raisin Administrative Committee (RAC)* appointed Ms. Akemi Masuda, a former Olympic marathon runner, as the Ambassador of California Raisin to Japan. In commemoration, RAC plans to hold a “California Raisin Health Seminar” on May 10 at the Tokyo Women’s Plaza. (f 4/1)
- The *California Walnut Commission* held a press conference on March 24 regarding the “15<sup>th</sup> California Walnut Contest”, a new walnut menu product development contest. (f 3/24)
- The Senior Marketing Director of the *U.S. Meat Export Federation Japan office (MEF)* commented that they expect 15-16% increase in U.S. pork exports to Japan in 2004. MEF Japan plans to focus promotion activities this year on pork for *yakiniku*-grill menus. (f 4/8)
- *California Cherry Advisory Board (CCAB)* plans to conduct a large-scale promotional activity for U.S. Bing cherries in both retail and department stores nationwide from June 1-24. This year, good quality and an early harvest are expected. CCAB also runs a digital photo contest on its website, where entrants show how they are using cherries in the every-day lives. (b 4/8)

 **Sources**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |

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